

AUTHORIZING RELIEF OF AUTHORIZED CERTIFYING
OFFICERS OF TERMINATED WAR AGENCIES IN LIQUIDATION BY THE DEPARTMENT OF LABOR

JANUARY 29, 1951.—Ordered to be printed

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted the following

REPORT

[To accompany S. 379]

The Committee on Expenditures in the Executive Departments, to whom was referred the bill (S. 379) to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Labor, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to authorize the Comptroller General of the United States to relieve authorized certifying officers of terminated war agencies from accountability for payments suspended or disallowed by the General Accounting Office against vouchers paid during the period 1943 through 1945.

The amount involved is \$609.88 which is now outstanding against former certifying officers of the War Manpower Commission, now in liquidation by the Department of Labor. That Department has reported to your committee that the amount covered by this bill is made up of a number of erroneous payments involving salaries, travel of Government employees, and subsistence for which the Government received benefit but, due to the rapid expansion of the agency's activities, personnel turn-over, and shortage of trained employees, errors were inadvertently made which subsequently led to suspension by the General Accounting Office. No evidence of fraud or collusion has been obtained by either the liquidating agency or the General Accounting Office against any of the former certifying officers involved.

STATEMENT

The agency in which these certifying officers were employed handled a large number of vouchers and financial transactions involving

considerable sums of money. With the rapid expansion of governmental activities during wartime, and the subsequent rapid turn-over of personnel, the officers and employees of wartime agencies often lacked the training and experience possessed by such persons in more normal times. The heavy workload of financial papers often required certifying officers to rely on decisions of inexperienced subordinates in interpreting complex laws and regulations. Under those circumstances, it was inevitable that there would be mistakes and administrative errors which resulted in erroneous payments under complex Government laws and regulations with which only the most experienced certifying officers operating under normal conditions could be fully conversant. It is also possible that, if the exceptions had been made to the payments shortly after they were made, the discrepancies might have been satisfactorily explained by those certifying officers which, in turn, would have enabled the Comptroller General to remove the suspensions.

The Congress has in the past, following wars in which the United States has been engaged, enacted legislation in one form or another to relieve disbursing and certifying officers for erroneous payments made during the periods of such conflicts. This practice was also followed during the Eightieth Congress when legislation was enacted to relieve certifying officers of the War and Navy Departments from responsibility for payment or losses where no fraud or collusion was involved (Public Law 248, approved July 26, 1947). Similar action was taken by the Eighty-first Congress when legislation was enacted to relieve certifying officers of terminated war agencies in liquidation by the Department of Commerce (Public Law 540), and agencies liquidated by the Department of the Interior (Public Law 541, approved June 14, 1950).

This bill was initiated by the Department of Labor, approved by the General Accounting Office and the Bureau of the Budget. Attached hereto and made a part of this report are letters received by the chairman of your committee from the Honorable Maurice J. Tobin, Secretary of Labor, Hon. Frederick J. Lawton, Director of the Bureau of the Budget, and Hon. Lindsay C. Warren, Comptroller General of the United States, in support of S. 379.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, November 13, 1950.

THE VICE PRESIDENT,
United States Senate, Washington 25, D. C.

DEAR MR. VICE PRESIDENT: I am sending attached a draft of a proposed bill for relief of certifying officers of war agencies in liquidation by the Department of Labor. I recommend that the bill be referred to the appropriate committee and that it be enacted.

The bill would relieve the afore-mentioned certifying officers from liability for the amounts of certain suspensions and disallowances heretofore or hereafter raised by the General Accounting Office on account of payments made in accordance with vouchers certified by such officers, provided that there is no evidence of fraud or collusion in connection therewith.

Ten such disallowances totaling \$609.88 are outstanding against former certifying officers of the War Manpower Commission now being liquidated by this Department. These disallowances include exceptions to such items as overpayment of salaries or overpayment of travel expenses, payments on which were entered over a period of about 3 years from 1943 through 1945.

With the rapid expansion of governmental activities during wartime, and the consequent rapid turn-over of personnel, the officers and employees of wartime agencies often lacked the training and experience possessed by such persons in more normal times. The large volume of transactions handled often required certifying officers to rely on decisions of inexperienced subordinates in interpreting complex laws and regulations. In the light of this situation, it was but natural that some erroneous payments would be made. It is also possible that, if the exceptions had been made to the payments shortly after they were made, the supposed discrepancies might have been satisfactorily explained by these certifying officers.

No evidence has been produced of fraud or collusion on the part of these certifying officers. It, therefore, seems fair that they should not be penalized for mistakes made under the circumstances indicated. To collect these relatively small amounts through legal proceedings would be both costly and time-consuming to the Government. As a measure of both economy and justice, therefore, I strongly urge the enactment of the draft bill.

The Bureau of the Budget advises that it has no objection to the presentation of this proposed bill to the Congress.

Yours very truly,

MAURICE J. TOBIN,
Secretary of Labor.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., January 22, 1951.

HON. JOHN L. McCLELLAN,
*Chairman, Senate Committee on Expenditures in the Executive Departments,
Senate Office Building, Washington, D. C.*

MY DEAR SENATOR McCLELLAN: This is in answer to your letter of January 15, 1951, inviting the Bureau of the Budget to comment on S. 379, a bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Labor.

The Bureau of the Budget would have no objection to the enactment of this measure.

Sincerely yours,

ELMER B. STAATS,
Assistant Director.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington 25, January 16, 1951.

HON. JOHN L. McCLELLAN,
*Chairman, Committee on Expenditures in the Executive Departments,
United States Senate.*

MY DEAR MR. CHAIRMAN: Reference is made to your letter dated January 15, 1951, forwarding a copy of S. 379, entitled "A bill to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Labor," and requesting an opinion as to the merits of the proposed legislation.

This proposed relief legislation for certifying officers of terminated war agencies in process of liquidation by the Department of Labor is similar to relief provided for the certifying officers of the war agencies in process of liquidation by the Treasury Department, the Department of Commerce, and the Department of Interior by Public Laws 446, 540, and 541, Eighty-first Congress, respectively.

While it has not been possible in the limited time that has been available to determine the specific war agencies of the Labor Department included, or to make a detailed analysis of the exceptions which would be affected, it is believed that the exceptions would be small, in number and amount. For this reason, and since the bill, if enacted, may be expected to effect a savings to the Government through reduction or reassignment of personnel now assigned to the clearing of exceptions, and since the relief specifically is not to be available in cases involving fraud or collusion on the part of the certifying officers to be relieved, no objection is perceived to its enactment.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

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